



State of Michigan  
Attorney General Bill Schuette

# **JOINT STATE-FEDERAL FORECLOSURE SETTLEMENT**

April 18, 2012

# JOINT STATE-FEDERAL FORECLOSURE SETTLEMENT

Bank of America

citi

JPMorgan Chase

WELLS  
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# JOINT STATE-FEDERAL FORECLOSURE SETTLEMENT

## \$25 Billion

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**\$20 Billion\***  
Direct Consumer Relief

**\$4.25\* Billion**  
State Payment

**\$750\* Million**  
Federal Payment

**\$17 Billion\*\***  
National  
Foreclosure  
Initiatives

\*\*Results in up to  
\$32 Billion

Direct borrower  
relief through  
principal reduction,  
short sales, borrower  
transition efforts, etc.

**\$3 Billion**  
Refinancing  
for  
Underwater  
Borrowers

**\$1.5\* Billion**  
Payments  
to  
Borrowers

For mortgage servicing  
abuse

**\$2.75\* Billion**  
Payments to  
States

Includes state  
foreclosure prevention  
efforts, counseling,  
mediation, legal aid, etc.

**\$515,111,412\***  
Michigan

**\$83,635,641\***  
Michigan

**\$89,801,788\***  
Michigan

**\$97,209,465**  
Michigan

\*Amounts approximated.

# **JOINT STATE-FEDERAL FORECLOSURE SETTLEMENT**

## **BACKGROUND**

The settlement between the state Attorneys General and the 5 leading bank mortgage servicers will result in approximately \$25 billion dollars in monetary sanctions and relief. The settlement represents the largest financial recovery obtained by the attorneys general except for the 1998 Master Tobacco Settlement. The accord will enable hundreds of thousands of distressed homeowners to stay in their homes through enhanced loan modifications. It will also fund payments to victims of unfair mortgage servicing and foreclosure practices and provide support for housing counseling and state-level foreclosure prevention programs.

In addition to the monetary allocations, the settlement will require comprehensive reforms of mortgage loan servicing. The mandated standards will cover all aspects of mortgage servicing, from consumer response to foreclosure documentation. To ensure that the banks meet the new standards, the settlement will be recorded and enforceable as a court judgment. Compliance will be overseen by an independent monitor who will report to the attorneys general and the court.

The settlement follows nearly a full year of intensive negotiations between the five banks and a coalition of state attorneys general and federal agencies, including the Departments of Justice, Treasury, and Housing and Urban Development. The investigation began in October 2010 after revelations of widespread use of “robo-signed” affidavits in foreclosure proceedings across the country. State Attorneys General formed a working group to investigate the problem and to confront the banks about the allegations. The major mortgage servicing banks soon acknowledged that individuals had been signing thousands of foreclosure affidavits without reviewing the validity or accuracy of the sworn statements. Several national banks then agreed to stop their foreclosure filings and sales until corrective action could be taken.

While the robo-signing issue received the most attention, other servicer-related problems were identified, including deceptive practices in the offering of loan modifications (for example, telling consumers that a loan modification was imminent while simultaneously foreclosing). The performance failures resulted in more than just poor customer service. Unnecessary foreclosures occurred due to failure to process homeowners’ requests for modified payment plans. And where foreclosures should have been concluded, shoddy documentation led to protracted delays. This misconduct threatened the integrity of the legal system and had a negative impact on communities and the overall housing market.

All 50 state Attorneys General determined that the compliance and performance failures prevalent in mortgage servicing were a high priority law enforcement and consumer protection matter. A bi-partisan Negotiating Committee, made up of eight Attorneys General<sup>1</sup> led the settlement negotiations. The Committee had extensive discussions with a wide variety of stakeholders, including investor groups, state banking examiners, bankruptcy attorneys, consumer groups and legal aid attorneys. The assistance and cooperation of state banking regulators and the Conference of State Banking Supervisors was particularly helpful in developing expertise. The Attorneys General also partnered with federal authorities in order to benefit from their expertise and investigations. A working relationship with federal agencies was particularly important because national banks assert that state officials have no authority to investigate their banking practices.

The negotiations focused on robo-signing and mortgage servicing misconduct. The resulting settlement addresses the primary goals of the Attorneys General: to provide immediate relief to enable struggling homeowners to avoid foreclosure; to bring badly needed reform to the mortgage servicing industry; to ensure that foreclosures are lawfully conducted; and to penalize the banks for robo-signing and servicing misconduct. The settlement imposes monetary sanctions on the banks while providing immediate and continuing relief to homeowners. Full litigation of the states' claims would likely have taken years, at a time when the foreclosure crisis requires immediate relief for homeowners. Adjudication of state-based robo-signing claims may have led to civil penalties but could not have yielded anywhere near the amount and scope of the relief obtained in this settlement.

The settlement was not intended to address issues related to mortgage loan securitization or the concerns of investors. The settlement does not release securitization claims, so private parties and government officials are free to pursue those claims. Nor does the settlement provide any immunity or release for criminal conduct.

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<sup>1</sup> The States represented on the Negotiating Committee are Iowa, Colorado, Connecticut, Florida, Illinois, North Carolina, Texas and Washington.

## **SUMMARY OF KEY SETTLEMENT TERMS**

### **I. Relief for Struggling Homeowners - \$17 Billion**

The settlement requires the five banks to allocate a total of \$17 billion in assistance to borrowers. The bulk of the \$17 billion is for borrowers who have the intent and ability to stay in their homes while making reasonable payments on their mortgage loans. At least 60 percent of the \$17 billion must be allocated to reduce the principal balance of home loans for borrowers who are in default or at risk of default on their loan payments. Many homeowners, particularly in states like Florida, Arizona, Nevada and California, have negative equity in their homes and have no realistic ability of refinancing or selling their homes, or to build equity. Principal reductions will also yield lower payments and will give homeowners a fair opportunity to preserve their homes.

In addition to principal reductions, the banks must allocate funds, approximately \$5.2 billion, for other forms of homeowner assistance. These options include the facilitation of short sales which allow houses to be bought and sold when the mortgage balance exceeds the value of the property. Another program is unemployed payment forbearance, which will defer payments for homeowners who are between jobs. Other options for funding include relocation assistance for homeowners facing foreclosure, waiving of deficiency balances, and funding for remediation of blighted properties.

### **II. Refinancing of Underwater Homes - \$3 Billion**

To assist homeowners who are not delinquent on their payments but cannot refinance to lower rates because of negative equity, the banks must offer refinance programs totaling at least \$3 billion. The banks will be required to notify eligible homeowners of the availability of these programs. To be eligible, a borrower must be current on mortgage payments, have a loan to value ratio in excess of 100%, and must have a current interest rate in excess of 5.25%. The refinanced rate must reduce monthly payments by at least \$100.

### **III. Mortgage Servicing Reforms - Injunctive**

A major component of the settlement is the comprehensive reform of mortgage servicing practices. The new standards will prevent mortgage servicers from engaging in robo-signing and other improper foreclosure practices. The standards will require banks to offer loss mitigation alternatives to borrowers before pursuing foreclosure. They also increase the transparency of the loss mitigation process, impose timelines to respond to borrowers, and restrict the unfair practice of "dual tracking," where foreclosure is initiated despite the borrower's engagement in a loss mitigation process.

Specific new servicing standards include:

- Information in foreclosure affidavits must be personally reviewed and based on competent evidence.
- Holders of loans and their legal standing to foreclose must be documented and disclosed to borrowers.
- Borrowers must be sent a pre-foreclosure notice that will include a summary of loss mitigation options offered, an account summary, description of facts supporting lender's right to foreclose, and a notice that the borrower may request a copy of the loan note and the identity of the investor holding the loan.
- Borrowers must be thoroughly evaluated for all available loss mitigation options before foreclosure referral, and banks must act on loss mitigation applications before referring loans to foreclosure; i.e. "dual tracking" will be restricted.
- Denials of loss mitigation relief must be automatically reviewed, with a right to appeal for borrowers.
- Banks must implement procedures to ensure accuracy of accounts and default fees, including regular audits, detailed monthly billing statements and enhanced billing dispute rights for borrowers.
- Banks are required to adopt procedures to oversee foreclosure firms, trustees and other agents.
- Banks will have specific loss mitigation obligations, including customer outreach and communications, timelines to respond to loss mitigation applications, and e-portals for borrowers to keep informed of loan modification status.
- Banks are required to designate an employee as a continuing single point of contact to assist borrowers seeking loss mitigation assistance.
- Military personnel who are covered by the Servicemembers Civil Relief Act will have enhanced protections.
- Banks must maintain adequate trained staff to handle the demand for loss mitigation relief.
- Application and qualification information for proprietary loan modifications must be publicly available.

- Servicers are required to expedite and facilitate short sales of distressed properties.
- Restrictions are imposed on default fees, late fees, third-party fees, and force-placed insurance.

#### **IV. Payments to Borrowers – \$1.5 Billion**

Approximately \$1.5 billion of the settlement funds will be allocated to compensation to borrowers who were foreclosed on after January 1, 2008. These borrowers will be notified of their right to file a claim. Borrowers who lost their homes and were not properly offered loss mitigation or who were otherwise improperly foreclosed on will be eligible for a uniform payment, which will be up to \$2000 per borrower depending on the level of response. Borrowers who receive payments will not have to release any claims and will be free to seek additional relief in the courts. Borrowers may also be eligible for a separate restitution process administered by the federal banking regulators.

#### **V. Payments to the States – \$2.75 Billion**

The remaining settlement funds, approximately \$2.75 billion, will be paid to the participating states. The consent judgment directs:

To the extent practicable, such funds shall be used for purposes intended to avoid preventable foreclosures, to ameliorate the effects of the foreclosure crisis, to enhance law enforcement efforts to prevent and prosecute financial fraud, or unfair or deceptive acts or practices and to compensate States for costs resulting from the alleged unlawful conduct of the Defendants. Such permissible purposes for allocation of the funds include, but are not limited to, supplementing the amounts paid to state homeowners under the Borrower Payment Fund, funding for housing counselors, state and local foreclosure assistance hotlines, state and local foreclosure mediation programs, legal assistance, housing remediation and anti-blight projects, funding for training and staffing of financial fraud or consumer protection enforcement efforts, and civil penalties.

[Consent Judgment, Exhibit B]



## **VI. Monitoring and Enforcement**

The settlement with each bank will be incorporated into a Consent Judgment that will be submitted to a federal judge for approval. Compliance with the servicing standards and financial obligations of the banks can be ultimately enforced through court process. Civil penalties may be assessed for violations of the Consent Judgment.

The banks' performance of their obligations under the settlement will be overseen by an independent Monitor. The Monitor will employ a staff of professionals to review the banks' compliance. The Monitor will issue periodic reports to the Attorneys General, including notices of any potential violations.

The banks will report on their compliance in the form of agreed-upon metrics and outcome measures. Included among the compliance metrics are testing for proper documentation of foreclosures, loss mitigation offers and proper evaluation of loan modification applications. There will also be testing to ensure that borrowers' account information is accurate and that any fees are properly assessed and are not excessive. If banks fail to remedy violations, they are subject to civil penalties of up to \$5 million from the court.

## **VII. Release of Claims**

The proposed Release contains a release of the banks' conduct related to mortgage loan servicing, foreclosure preparation, and mortgage loan origination services. Claims based on these areas of past conduct by the banks cannot be brought by state attorneys general or banking regulators.

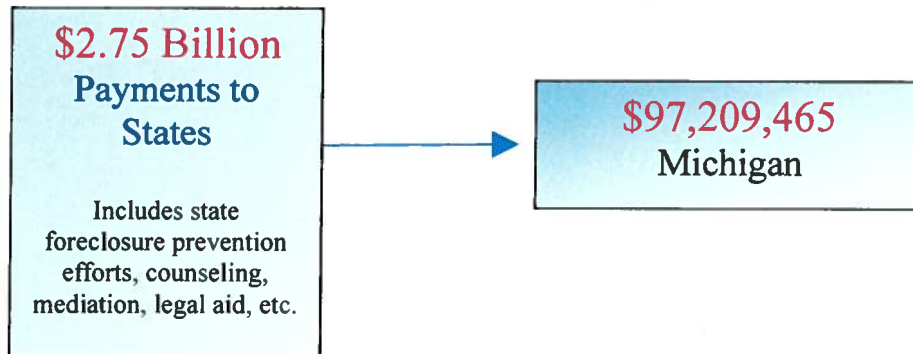
The Release applies only to the named bank parties. It does not extend to third parties who may have provided default or foreclosure services for the banks. Notably, claims against MERSCORP, Inc. or Mortgage Electronic Registration Systems, Inc. (MERS) are not released.

Securitization claims, including claims of state and local pension funds, and including investor claims related to the formation, marketing or offering of securities, are fully preserved. Other claims that are not released include violations of state fair lending laws, criminal law enforcement, claims of state agencies having independent regulatory jurisdiction, claims of county recorders for fees, and actions to quiet title to foreclosed properties. Of course, the Release does not affect the rights of any private individuals or entities to pursue their own claims for relief.

# JOINT STATE-FEDERAL FORECLOSURE SETTLEMENT

## DISTRIBUTION OF MICHIGAN-DESIGNATED FUNDS

Under the Multi-State Mortgage Foreclosure Settlement approximately \$2.75 billion will be paid to the participating states. The State of Michigan allocation is \$97,209,465.



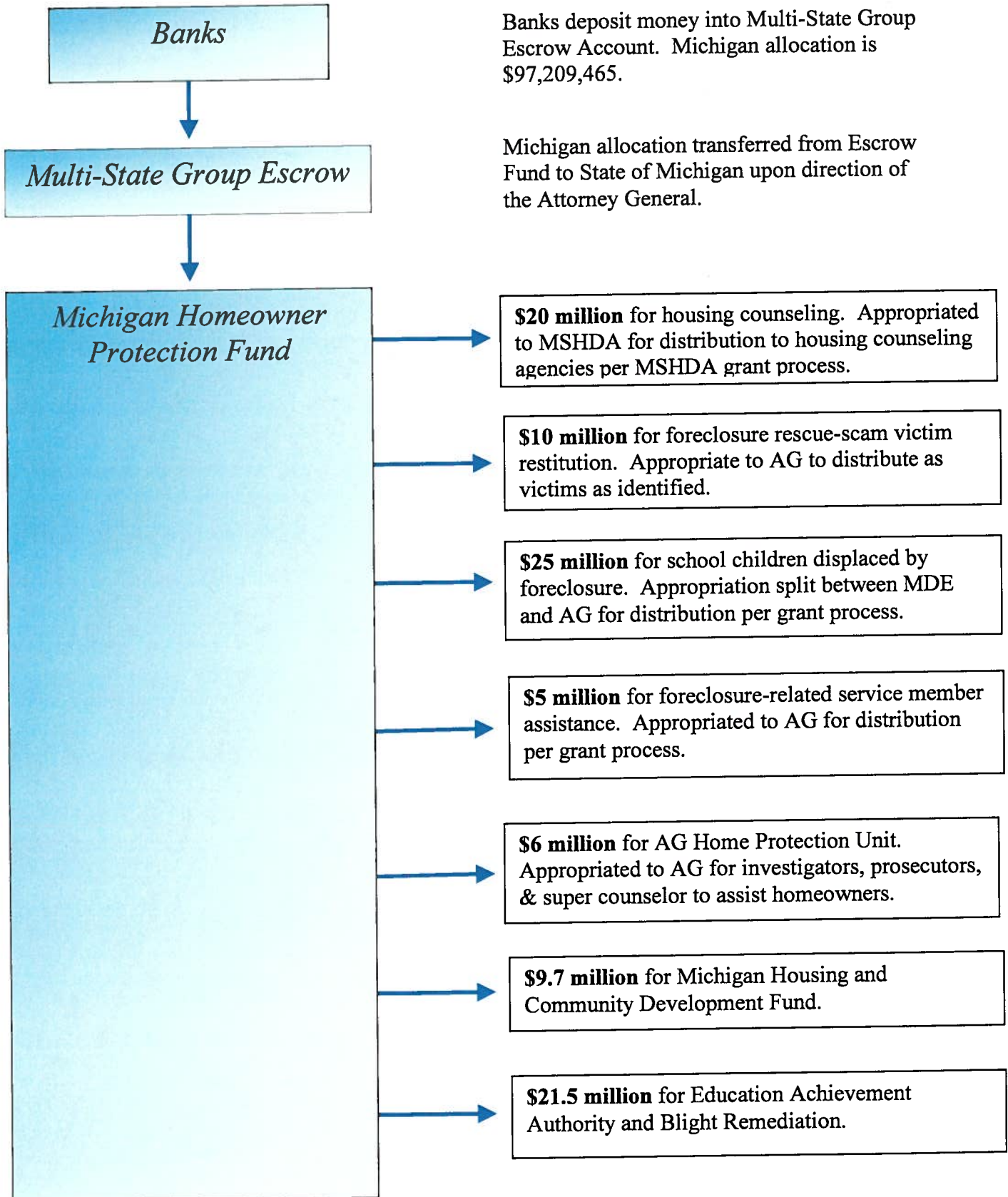
Language in the consent judgment restricts the use of the funds as follows:

To the extent practicable, such funds shall be used for purposes intended to avoid preventable foreclosures, to ameliorate the effects of the foreclosure crisis, to enhance law enforcement efforts to prevent and prosecute financial fraud, or unfair or deceptive acts or practices and to compensate States for costs resulting from the alleged unlawful conduct of the Defendants. Such permissible purposes for allocation of the funds include, but are not limited to, supplementing the amounts paid to state homeowners under the Borrower Payment Fund, funding for housing counselors, state and local foreclosure assistance hotlines, state and local foreclosure mediation programs, legal assistance, housing remediation and anti-blight projects, funding for training and staffing of financial fraud or consumer protection enforcement efforts, and civil penalties.

[Consent Judgment, Exhibit B]

# JOINT STATE-FEDERAL FORECLOSURE SETTLEMENT

## RECOMMENDED DISTRIBUTION OF MICHIGAN-DESIGNATED FUNDS



## DISTRIBUTION OF MICHIGAN-DESIGNATED FUNDS AG RECOMMENDATIONS

### **Foreclosure Counseling and Legal Aid Services for Homeowners - \$20 million**

Many different programs are available to help homeowners faced with foreclosure. Legitimate foreclosure counselors give free help to homeowners, steering them through the many issues faced when mortgage payments become unaffordable. Michigan law, in fact, requires that homeowners in foreclosure be told these counseling services are there for them.

The Michigan State Housing Development Authority (MSHDA) provides funding for foreclosure counseling to MSHDA approved agencies. To be approved, such agencies must meet stringent MSHDA developed guidelines. Funding is based on the number and type of services that the agency provides. But funding for these programs has fallen – MSHDA’s funding for housing counselors has dropped by 58% in the past 2 years, from a budget in 2009/2010 of \$4,087,759 to this year’s 2011/2012 budget of \$1,706,154. Legal aid agencies also provide legal assistance to homeowners that foreclosure counselors cannot provide, and funding for these services is also needed. Consequently, we have drafted proposed legislation to create the “Homeowner Protection Fund,” and we recommend \$20 million be deposited in that fund, with \$5 million allocated each year for the next 4 years, to ensure foreclosure counseling and legal aid is available to homeowners in danger of losing their homes.

A number of MSHDA reference materials are attached, including:

Tab 1 – MSHDA Program Guide

Tab 2 – Agency Participation Requirements for MSHDA Counseling Programs & Funding

Tab 3 – Sample MSHDA Notice of Funding Availability

As can be seen, MSHDA has an established program and systems in place designed to address the various aspects of the foreclosure crisis, including effective mechanisms for distribution of funding and oversight.

### **Foreclosure Rescue Scam Victim Restitution - \$10 million**

People are not just losing their homes to foreclosure. Many also fall prey to scam artists when trying to avoid foreclosure. Foreclosure-rescue scam artists promise that they can save a person’s home. They extract large up-front fees, provide none of the promised services, and leave the homeowner worse off than they were before – sometimes losing a house they otherwise could have saved if they had worked with a legitimate foreclosure counselor. This office has prosecuted a number of these criminals. But these criminals typically spend the money they swindle long before they’re convicted, and restitution is then not available for the victims.

The proposed legislation would provide for restitution out of the Homeowner Protection Fund. To help these victims, we recommend that \$10 million be placed in the fund to be

distributed by my office as restitution for victims of foreclosure-related crime. Estimates as of April 2012 show at least \$1,832,449.00 in damages to victims of 66 mortgage modification scams currently under investigation by my office. See Tab 4. Since 2009, 28 persons and companies have been charged and convicted and ordered to pay restitution totaling \$1,409,260.50. In total, over \$3.2 million in victim damages has been identified to date. However, damage estimates relative to the cases currently under investigation will likely increase with additional investigation.

### **Assistance for school children displaced by foreclosure – \$ 25 million**

In the last four years, the national foreclosure crisis has played a part in increasing the number of homeless students in Michigan by 413%. The number of homeless students in Michigan has risen from 7,500 in the 07/08 school year to 30,986 for the 10/11 school year. See Tab 5. The faces behind the statistics are heartbreaking: kids shuffled from place to place, staying in flea infested homes, tent shelters or cheap motels; kids who spend their days outside abandoned bus stations or malls, some kids sleeping under houses or even in outside dog houses. Bouncing from place to place, sometimes hungry and tired, no child can focus on school and learning. A number of reports in the media have covered this tragedy, samples of which appear at Tab 6. Additionally, Beth McCullough, the McKinney-Vento Homeless Grant Coordinator for Lenawae County, has documented her experiences working with the homeless through this program, and an example appears at Tab 7. In light of the growing severity of this problem and the long-term impact it will have on Michigan students, we propose that \$25 million be allocated to address this problem.

Federal law requires all school districts to appoint a liaison to identify homeless students and help serve them. Only a handful of districts have full time liaisons, with other districts using principals or other staff to fill that role. Some cash-strapped school districts lack the resources, organization, or will to identify homeless students, as federal law requires them to provide transportation and other services.

We spoke with Pamela Kies-Lowe, the Homeless Education state coordinator for the Michigan Department of Education (MDE), about this problem. She is in charge of MDE's Education For Homeless Children And Youth (EHCY) Program, and she explained that under this program MDE receives federal funds to distribute, through a grant process, to schools to assist homeless school children. However, that funding is very limited. Last year MDE only received \$2.3 million from the federal government to cover the entire state for one year, with a total Michigan homeless student enrollment of 30,986 kids. That comes to \$75 per student for the whole year. Ms. Kies-Lowe indicated that the need far outweighs the available funding. Additionally, there are limits on the use of the federal funds, and enhanced programs could be implemented with additional funding available for additional services. For example, the federal funds cannot be used for long-term housing support, and thus some districts have turned to outside funding to support programs where homeless students are placed with families, much like a foreign-exchange student, to provide a stable environment that ensures the student stays in school and is able to succeed. In light of the growing number of homeless school children and the limited funding available, we recommend that \$12.5 million be directed to funding the MDE EHCY program, so that schools can better assist homeless school children.

Apart from the schools themselves, private entities also provide assistance to homeless school children. The new AG Home Protection Unit can administer a grant process to private entities. Examples of possible grant recipients include the programs in Traverse City, Jackson, and Adrian that, as noted above, pay families to house homeless children and shelters like Covenant House in Detroit that offer homeless children a place to live and finish their high school education. Covenant House also has a charter school on its campus. We recommend that \$12.5 million be dedicated to funding these additional programs to help homeless children.

#### **Assistance for Servicemembers - \$5 million**

While there are established funds available to provide servicemembers and their families with short-term housing assistance, these funds do not appear to be good tools for providing servicemembers with foreclosure help.

Specifically, there are two funds available to assist servicemembers with short-term emergency needs. The first is the Michigan Veterans Trust Fund (MVTf), which provides temporary financial assistance to eligible wartime veterans, and their families, residing in the state, for emergencies or hardships. The MVTf is administered through county boards. To obtain assistance through the MVTf, the veteran must be unable to temporarily provide for himself and family the basic necessities of life. The MVTf cannot provide assistance for long-term problems or chronic financial difficulties, but instead provides one-time financial assistance.

The second is the Military Family Relief Fund. It is administered by the Michigan Department of Military Veterans Affairs and provides grants to qualifying families of military members in either the Michigan National Guard or Reserves who are called to active duty as a result of the national response to the September 11, 2001 terrorist attacks. A grant through this fund can be used to pay mortgage payments, but the grants are limited to \$2,000 per calendar year. The \$2,000 limit can be waived by the Adjutant General of Michigan National Guard in emergency cases.

Because both existing funds are limited, we recommend developing and implementing grant programs targeted at assisting servicemembers who have been affected by the foreclosure crisis.

#### **Michigan Attorney General Home Protection Unit - \$6 million**

Presently, my office addresses foreclosure-related issues in a number of ways, but additional funding will allow us to do more to help our constituents. As noted above, rescue scams abound, and there are more cases to investigate and prosecute than current resources allow. My office goes after these criminals, as it is a statewide problem. To date, this office has prosecuted 28 such cases since 2009 with only one prosecutor available. And there are approximately 69 cases currently under investigation, but we know there are other cases out there, as these criminals often run a number of different scams. Added investigators and prosecutors could not only increase deterrence, but also work, in conjunction with the Homeowner Protection Fund, to give real help to the victims of these crimes. Additionally,

while we make every effort to refer consumers with non-criminal foreclosure related complaints to the appropriate counseling agencies, sometimes consumers have run out of time or have had little success working through those channels. Additional funding for consumer support would allow us to help those consumers more expeditiously. To accommodate the added work, and the staff needed to do it, we request that \$6 million be allocated to the Homeowner Protection Fund and appropriated for this office's use to provide added enforcement and consumer support.

#### **Michigan Housing and Community Development Fund – \$9.7 million**

Pursuant to the Michigan State Housing Development Authority (MSHDA) Act of 1966, the Michigan Housing and Community Development Fund supports housing and community development programs by developing and coordinating public and private resources to meet the affordable housing needs of low income households and revitalizing downtown areas and neighborhoods in Michigan. Grants from the Housing and Community Development Fund have been used to support a number of housing related uses. For example, Habitat for Humanity has been able to leverage grant money from the Housing and Community Development Fund with other funding to implement projects across the state, including rehabilitation of at-risk and foreclosed homes and construction of new homes. The result is not only safer and more affordable housing for those in need, but also improvement of the housing stock and revitalization of our communities. We recommend that \$9.7 million be allocated to the Michigan Housing and Community Development Fund to provide additional resources for these purposes.

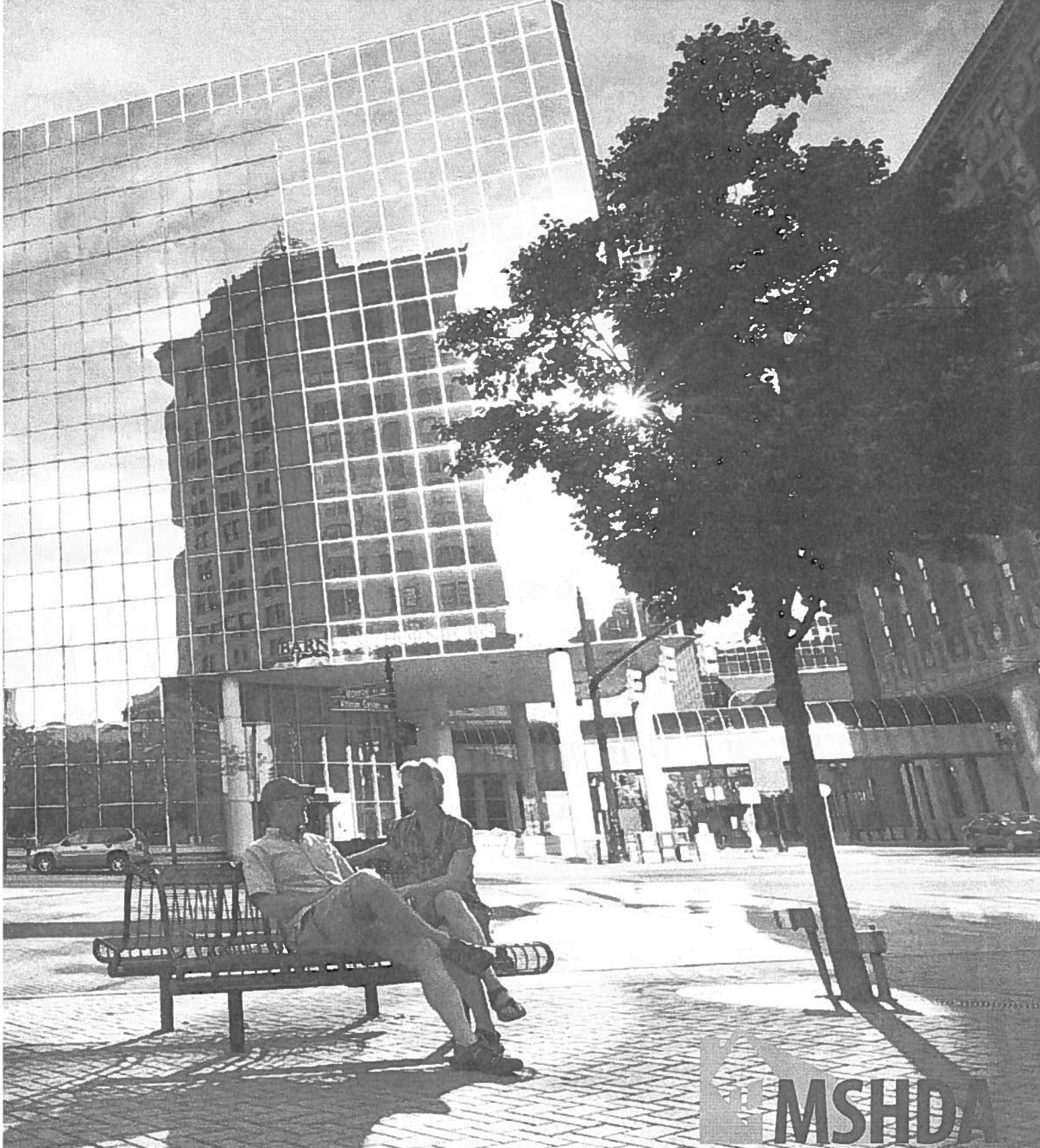
#### **Education Achievement Authority & Blight Remediation - \$21.5 million**

The foreclosures crisis has triggered many costs to both state and local government. Communities hardest hit with foreclosures have often also been those with the lowest-performing schools. Those areas with particularly high foreclosure rates regularly are correlated with areas with schools that are in the bottom 5% of performers in Michigan. The Education Achievement system (EAS) is a new statewide school system that will assume operation of the lowest 5 percent of performing schools in the state of Michigan. The system will transform them into stable, financially responsible public schools that provide the conditions, support and safe learning environment children need to succeed in school. This improvement in local schools should in turn revitalize these areas that have been particularly hard hit by the foreclosure crisis, as good schools are one foundation to thriving neighborhoods and communities. As the EAA is a statewide entity directly grappling with impact of foreclosures, and will work to enhance communities affected by foreclosure, we recommend that money be allocated to the EAA for these purposes.

Vacant and abandoned land discourages property ownership, depresses property values, attracts crime, and creates health hazards. And effective land use is key to local economic development, and when managed appropriately, effective land use improves property values, tax revenues, and community development. The Michigan Land Bank Fast Track Authority was created by the Legislature in 2003, and is empowered to own, accept, acquire, and hold property through gift, transfer, or other conveyance methods. The Michigan Land Bank Fast Track Authority has been involved in a number of efforts to revitalize and rehabilitate neighborhoods

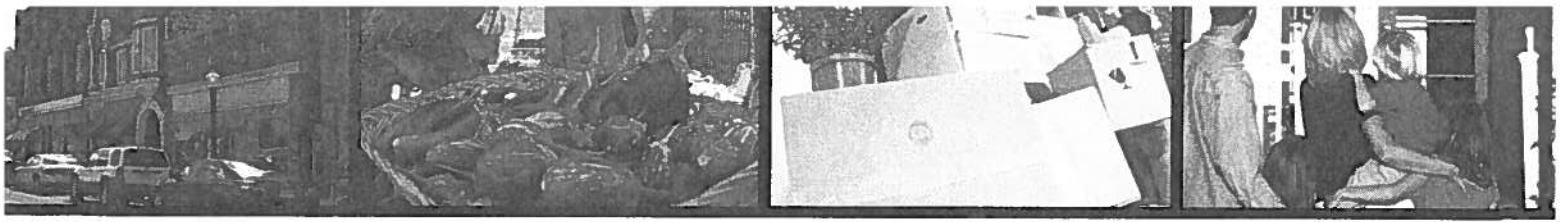
affected by foreclosure and blight. To further this work, we recommend that money also be allocated to the Michigan Land Bank Fast Track Authority for these purposes.





# Program Guide

Michigan State Housing Development Authority



# MSHDA Programs: Helping to Build a Better Michigan

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The Michigan State Housing Development Authority (MSHDA) is dedicated to building a thriving and vibrant future for Michigan. MSHDA provides tools and resources to improve people's lives through programs across the state. These programs assist with housing, build strong neighborhoods, and help create places where people want to live and work.

MSHDA's programs work in four areas:

- Affordable Rental Housing
- Supporting Homeownership
- Ending Homelessness
- Creating Vibrant Cities and Neighborhoods

This guide is a road map to the many programs that connect MSHDA with Michigan people and communities. MSHDA's loan and operating expenses are financed through the sale of tax-exempt and taxable bonds as well as notes to private investors, not from state tax revenues. Proceeds are loaned at below-market interest rates to developers of rental housing, and help fund mortgages and home improvement loans. MSHDA also administers several federal housing programs.

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## Temporary Programs Through Federal Stimulus Funds

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Several federal funding streams have been established under both the prior and current federal administrations, creating the need to disburse what has become known as stimulus funds through new and innovative MSHDA programs. The funds are temporary and will be distributed during the coming 18 to 24 months. The programs and available funds will be changing often during this time period and will affect MSHDA services in the areas of Homeownership, Rental Housing, Homelessness and Supportive Housing, Community Development and the creation of Vibrant Cities, Neighborhoods, and Downtowns. Stay informed by visiting the MSHDA Web site regularly at [michigan.gov/MSHDA](http://michigan.gov/MSHDA), or contact MSHDA's Economic Recovery Liaison office at: 517.241.3681.

## Affordable Rental Housing

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### Tax-Exempt and Taxable Bond Lending Programs

MSHDA offers tax-exempt and taxable bond loans to for-profit and nonprofit developers for the construction or rehabilitation of rental developments between 24 and 150 units. MSHDA also provides tax-exempt and taxable bond loans for the preservation of federally assisted rental housing. At least 20 percent of the units are for households with incomes at or below 50 percent of the area median income or 40 percent of the units must be for households with incomes at or below 60 percent of area median income. The program is designed to be used in conjunction with Low Income Housing Tax Credits. Contact: 517.373.6880

# *Building a Better Michigan*

## Low Income Housing Tax Credit (LIHTC) (Housing Credit)

MSHDA administers the federal Low Income Housing Tax Credit according to a Qualified Allocation Plan. At a minimum, 20 percent of units must be for households with incomes at or below 50 percent of area median—or 40 percent of units at 60 percent of median income. Contact: 517.373.6007

## Michigan Housing Locator

The Michigan Housing Locator is Michigan's primary source for marketing affordable rental housing. The services provided by the Housing Locator are free to property owners and renters.

MichiganHousingLocator.com • Contact: 517.373.1973

## Housing Choice Voucher (HCV) Program (Previously termed Section 8)

This program provides federal rent subsidies to participants. MSHDA guidelines require that 85 percent of the families served at admission to the program must have incomes not exceeding 30 percent of the area median income (AMI). While 15 percent of households served may have incomes up to 50 percent of AMI, MSHDA guidelines require new admissions to have incomes at or below the federal poverty level. Participants find their own housing in private homes and apartment buildings.

Contact: Lansing Office 517.373.9344 • Detroit Office 313.456.3540

## Modified Pass Through Program

The Pass Through program offers tax-exempt loans to for-profit or nonprofit developers for new construction or rehabilitation of rental developments up to 150 units. Loans must be credit enhanced by a third party, and the use of the four percent housing credit is required. Sixty percent of the units are for households with incomes at or below 60 percent of the area median income—or 40 percent of units at 50 percent of area median income.

Contact: 517.373.8295

## Homeownership/Home Improvement

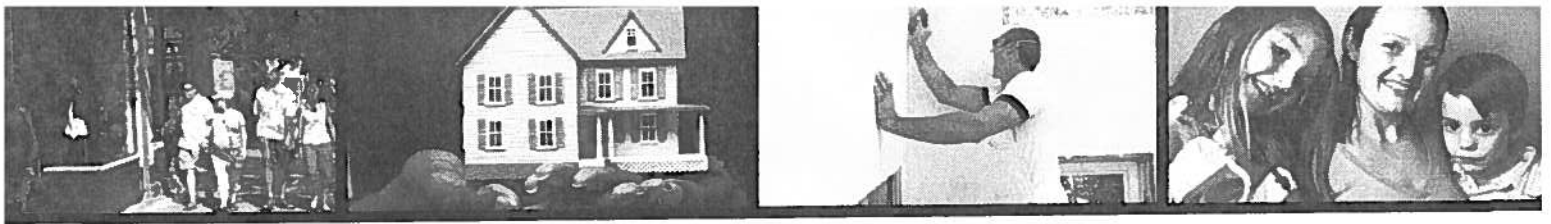
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### Homeownership Mortgages

MSHDA offers affordable fixed rate mortgage loans for the purchase of a new or existing house, manufactured home or condominium. Income and purchase price limits apply. Applications are made through participating banks, credit unions and mortgage companies. A list of participating lenders is located on the MSHDA Web site at [michigan.gov/MSHDA](http://michigan.gov/MSHDA). Contact: 800.327.9158 or 517.373.6840

### Down Payment Assistance Program (DPA)

The DPA program offers up to \$7,500 in a zero-interest loan on certain first mortgages through the Homeownership division. Income and purchase price limits apply, borrowers must contribute a minimum of one percent of the sale price and must complete a homebuyer education course. Contact: 800.327.9158 or 517.373.6840



### Graduate Purchase Assistance (GPA) Program

The GPA program offers a reduced interest, fixed-rate conventional loan to college graduates from an accredited institution, that meet MSHDA's sales price and income eligibility guidelines. Borrowers in the program must have received an associate, bachelors, masters, or doctoral degree within three years prior to the date of the loan application to qualify. Contact: 800.327.9158 or 517.373.6840

### Homeownership Counseling Program

The program provides pre-purchase homebuyer education, financial management, budget counseling, credit repair counseling, home maintenance training, pre-purchasing home inspections and foreclosure prevention counseling. Counseling services are provided by MSHDA certified counseling agencies across the state. Contact: 800.327.9158 or 517.373.6840

### Property Improvement Program (PIP)

PIP offers interests rates of four percent to eight percent on loans that can be used to improve homes. The homeowner may add energy conservation improvements, make the home more accessible to a family member with physical disabilities, repair hazards to health or safety and repair damage from a declared natural disaster. Income and loan limits apply. Applications are made through participating lenders and community agents. Landlords with rental properties of 1-11 units are able to apply. A list of participating lenders is located on the MSHDA Web site at [michigan.gov/MSHDA](http://michigan.gov/MSHDA). Contact: 517.373.8017

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### Family Self-Sufficiency (FSS) and Key to Own Programs

The Housing Choice Voucher Program is primarily a tenant based rental assistance program for very low-income families, but has components of Family Self-Sufficiency and Key to Own programs which can lead to homeownership. The two programs promote and provide education and job training opportunities for families through counseling to become self-sufficient and economically independent. Contact: 517.373.9344

### Save the Dream Program

This toll free hotline directs callers to a MSHDA-certified foreclosure prevention counselor in their area. The MSHDA Web site at [michigan.gov/MSHDA](http://michigan.gov/MSHDA) contains educational and resource information for homeowners having difficulty making their mortgage payments or facing foreclosure. Click on the Save the Dream icon. Contact: 866.946.7432

## Homeless and Supportive Housing

### Supportive Housing

This program provides for-profit and nonprofit organizations with funding and technical assistance for developing or expanding rental housing targeted to homeless and/or special needs households with incomes at or below 30 percent of the AMI. [TheCampaignToEndHomelessness.org](http://TheCampaignToEndHomelessness.org) • Contact: 517.241.1609

# *Building a Better Michigan*

## Homeless Grants Program

This grants program awards federal and MSHDA funding to local units of government and public and private nonprofit agencies with 501 c(3) status that have at least one year of experience in providing case management, homeless prevention, operating costs, rapid rehousing and tenant-based rental assistance specifically targeted to homeless people. Applicant organizations must be actively involved in a recognized continuum of care planning body. Contact: 517.241.1609

## Community/Neighborhood/Downtown Revitalization

### Housing Resource Fund (HRF)

The HRF awards grants to eligible community-based nonprofit housing organizations and local units of government for a variety of homebuyer, homeowner and rental housing projects. Projects must address unmet housing needs in community settings or contribute to the revitalization of Michigan's neighborhoods. Contact: 517.373.1974

### Predevelopment Loans

This program provides interest-free loans to nonprofit organizations for predevelopment expenses of affordable housing developments. Loans may be used for a variety of reasons, such as to pay for market studies or consulting fees, but may not be used to pay general staff or administrative costs. Contact: 517.373.1974

### Technical Assistance Program

Technical Assistance provides consultants and training to increase the housing production capacity of eligible nonprofit organizations and local units of government. Assistance is available for planning and resource development, board governance, personal/administrative management, financial management, housing development and portfolio/asset management. Contact: 517.373.1974

### Cities of Promise

The Cities of Promise is an interagency, quality of life initiative that aims to strategically leverage existing state resources to promote community and economic development. The selected Michigan cities are those that have the highest rates of poverty per capita including Benton Harbor, Detroit, Flint, Hamtramck, Highland Park, Muskegon Heights, Pontiac and Saginaw. Each city has a partnership team that includes state agency representation, local units of government partners, and other stakeholders including churches, schools, businesses, hospitals, community development corporations, human services organizations and others.

CitiesofPromise.org • Contact: 517.373.9097

### Cool Cities

The Michigan Cool Cities initiative is an urban strategy to revitalize Michigan's cities by attracting the talent and jobs of the emerging economy. It is a collaborative model for economic engagement and community revitalization.

CoolCities.com • Contact: 517.373.9097





## Neighborhood Preservation Program (NPP)

Provides a comprehensive approach to neighborhood revitalization as well as marketing, demolition and beautification. It requires a thorough assessment of neighborhood stakeholders and most importantly, the local unit of government. Contact: 517.373.1974

## Michigan Main Street

The Michigan Main Street (MMS) program provides technical assistance services to communities who are targeting the revitalization and preservation of their traditional commercial district. The MMS program assists communities in developing their own local Main Street program by utilizing the Main Street 4-Point Approach—a common-sense approach to tackling the complex issues of revitalization capitalizing on a downtown's history, and identifying the unique assets of the community itself. MichiganMainStreetCenter.com • Contact: 517.241.1737

## Cultural Economic Development

The Office of Cultural Economic Development facilitates the development and implementation of the 'Michigan Cultural Economic Development Strategy.' Its purpose is to attract resources, programming and initiatives designed to leverage the state's creative talent and cultural assets to spur economic growth and build community prosperity resulting in vibrant cities and neighborhoods throughout the state. One of its major initiatives is the Idlewild Centennial Commission which coordinates activities commemorating the 100th anniversary of the founding of the Idlewild resort community in Lake County. The initiative leverages the community's unique cultural heritage and strengths to attract new investment and economic growth. Contact: 517.241.3973

## Archaeology

The Office of the State Archaeologist (OSA) records, investigates, interprets and protects Michigan's archaeological sites. The OSA maintains and updates the official database of recorded archaeological sites located both on land and underwater. The office works closely with the State Historic Preservation Office, and carries out the federally mandated archaeological aspects of its programs. The OSA curates archaeological collections obtained from state land, as well as collections generated by review and compliance projects across the state. The office is responsible for archaeology on state land, and also collaborates with the Michigan Historical Museum, Department of Natural Resources, on exhibits and educational programs on archaeology for school children and the general public. Contact: 517.373.6358

## Historic Preservation

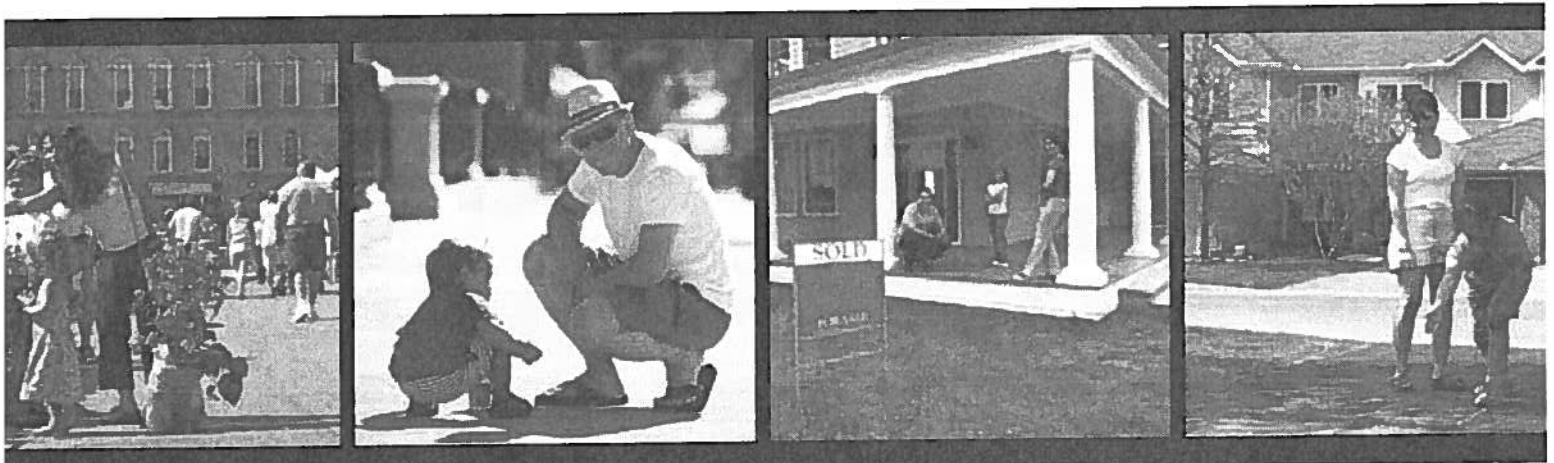
Michigan's State Historic Preservation Office (SHPO) works with communities, individuals, developers and non-profits to create a sense of place by identifying, evaluating and designating, and reinvesting in historic resources. The SHPO administers the National Register of Historic Places program in Michigan, the Michigan Lighthouse Assistance program, which is funded through the sale of the Save Our Lights license plate, and incentive programs that include state and federal tax credits and pass-through grants available to certified local governments. The SHPO also works with state and federal agencies to carry out responsibilities mandated by the National Historic Preservation Act. Contact: 517.373.1630



Investing in People.  
Investing in Places.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

[michigan.gov/MSHDA](http://michigan.gov/MSHDA) ■ Phone 517.382.4568 ■ TTY 1.800.382.4568



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Equal Housing Lender



Grand Rapids photo courtesy of S. Walker



## Michigan State Housing Development Authority


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- > [Foreclosure Prevention Assistance](#)
- > [Homeownership Counseling](#)
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### About MSHDA

#### Archaeology

#### Cultural Economic Development

#### Developers and Contractors

#### Downtown Developers

#### Historic Preservation

#### Home Improvement

#### Homeless & Special Housing Needs

#### Mortgage & Real Estate Professionals

#### Nonprofits and Local Governments

#### Property Managers

#### Renter Assistance

#### Southeast Michigan Partners

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The Michigan State Housing Development Authority's (MSHDA) Homeownership Counseling Program is a statewide network comprised of MSHDA certified non-profit community action or faith-based agencies, local governmental agencies and MSU Extension offices. The Homeownership Counseling Program supports MSHDA's mortgage loan programs that increase homeownership opportunities, or retain homeownership, for low to moderate income families in Michigan.

MSHDA accepts applications from well established community partners with the financial capacity and the experience necessary to provide high-quality homeownership counseling services that have become expected from our agencies. To be considered for participation in MSHDA's Homeownership Counseling Program interested agencies:

- Must be an established, community based, 501 (c) 3 Non-Profit or governmental entity that has functioned for at least one year in the geographical area that the applicant proposes to serve;
- Must demonstrate the financial capacity, from multiple funding sources, to cover administrative costs of the program and staff salaries;
- Must have successfully administered a housing counseling program for at least one year and have the financial ability to provide housing counseling services beyond MSHDA's Program Counseling Services;
- Must employ staff trained in housing counseling with at least six months experience in the job they will perform in the counseling program;
- Must be able to provide counseling services to all individuals within the geographical area that the agency intends to serve;
- Must adopt the National Industry Standards for Homeownership Education and Counseling and National Industry Foreclosure Standards;
- Must submit an Agency Profile, along with the required supporting documentation.

Once an application is received, MSHDA program staff:

- Review the Agency Profile and supporting documentation;
- Determine the Program needs for the counties the agency intends to serve;
- Evaluate the application based on the agency's financial capacity;
- Evaluate counseling staff experience;
- Evaluate the agency's program for potential conflicts of interest;
- May conduct an agency site visit.

Once an agency has been approved to provide counseling services and agreements have been signed, counseling staff must attend MSHDA's New Counselor Training and successfully pass a written assessment.

### Related Content

- [Homeownership Counseling](#)
- [Homeownership Counseling](#)



For further information, please contact the MSHDA Homeownership  
Counseling Specialist for your area:

Central Michigan  
Sharon Evans (517) 373-8016 [evanssk@michigan.gov](mailto:evanssk@michigan.gov)

Eastern Michigan  
Renee Ferguson (517) 373-8045 [fergusonr1@michigan.gov](mailto:fergusonr1@michigan.gov)

Wayne County  
Sean Chapman (517) 241-2630 [chapmans4@michigan.gov](mailto:chapmans4@michigan.gov)

Western Michigan  
Karen Lawson (517) 373-2307 [lawsonk@michigan.gov](mailto:lawsonk@michigan.gov)

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**Office of Rental Development and Homeless Initiatives**

**NOTICE OF FUNDING AVAILABILITY**

**And  
General Guidelines  
For**

**Emergency Solutions Grant Program**

**October 1, 2011 – September 30, 2012**

**DUE DATE: August 11, 2011**

# **C O N T E N T S**

***“All progress is precarious, and the solution of one problem brings us face to face with another problem.” - Martin Luther King, Jr.***

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**2011-2012 Emergency Solutions Grant Timeline  
October 1, 2011 to September 30, 2012**

|  |   |
|--|---|
| <b>June 20, 2011</b>                                     | Publish final NOFA, Exhibit One, comments and response on <a href="http://www.michigan.gov/mshda">www.michigan.gov/mshda</a> , click on <b>Homeless and Special Needs</b> , and then click on <b>Emergency Solutions Grant Application</b> . ESG application available on HALO. |
| <b>August 1, 2011</b>                                    | Continuum to identify the Housing Assessment and Resource Agency and Fiduciary Agency to your MSHDA Homeless Assistance Specialist  |
| <b>August 11, 2011</b><br><b>No later than 5:00 p.m.</b> | ESG application is due on HALO<br>CoC Planning Update (Exhibit 1) due in MSHDA's Office   |
| <b>September 9, 2011</b>                                 | Grants mailed<br>(Grant documents must be signed and returned within 45 days.)  |
| <b>October 1, 2011</b>                                   | Grant start date  |
| <b>September 30, 2012</b>                                | Grant end date  |

**Webinars**

Webinars will include:

- Review of the ESG grant application process;
- Overview of roles/responsibilities and of participating agencies;
- Opportunity for participants to discuss application process;
- Review of Final NOFA, Q&A, Exhibit 1

Audience:

- CoC Coordinators/Chairs
- Fiduciary Agency
- Housing Assessment and Resource Agency
- Sub-grantees
- Any other CoC participating partners

| Date          | Time                   |
|---------------|------------------------|
| June 29, 2011 | 10:00 a.m. to Noon     |
| June 30, 2011 | 1:00 p.m. to 3:00 p.m. |
| July 11, 2011 | 1:00 p.m. to 3:00 p.m. |

**Sign Up for Webinars at: [www.michigan.gov/mshda](http://www.michigan.gov/mshda), from the menu select: Homeless and Special Housing Needs – in the middle of the page select ESG Webinars for a drop down menu of scheduled dates.**

## **Emergency Solutions Grant Program**

### **NOTICE OF FUNDING AVAILABILITY 2011-2012**

## **GENERAL OVERVIEW**

### **I. Program Description**

In support of the Campaign to End Homelessness in Michigan, changes to the Emergency Solutions Grant (ESG) program promote Housing First through prevention and rapid re-housing activities. Therefore, at a regional and community level it is essential for all working with those in poverty and homelessness to recognize the proven need to move from a shelter based program to a Rapid Re-Housing/Housing First program where prevention and rapid re-housing are key.

This Notice of Funding Availability (NOFA) describes the allocation process through which these funds will be awarded. All 60 of Michigan's Continuum of Care Bodies (CoC's) will be eligible for funding under this program, but only those that submit an acceptable Exhibit 1, Continuum of Care Update, and are in good standing with MSHDA will be awarded funds.

This program offers funding assistance to public and non-profit organizations that are responding to the needs of homeless populations through a comprehensive communitywide planning process and implementation strategy known as a 10-Year Plan to End Homelessness.

### **CORE STRATEGIES**

- Develop comprehensive community-based prevention and rapid re-housing systems;
- Embrace Housing First Activities;
- Creation of a Housing Assistance and Resource Agency (HARA) where prevention and rapid re-housing occur;
- Creation of one Grant Fiduciary per Continuum of Care to streamline and better coordinate MSHDA ESG and other housing resources, in partnership with the CoC;
- Collect and analyze data via the Homeless Management Information System (HMIS); (Domestic Violence Agencies use alternative system);
- Implement Continuous Quality Improvement and at a minimum the performance measure outcomes as required by MSHDA;
- Strategize how to best align federal, state, and local dollars to end homelessness;
- Promote program models with successful measurable outcomes that are supported by data;
- Build public support and political will for ending homelessness by sharing data and best practices with mayors, county officials, schools, and other interested parties;
- Ensure emergency housing needs are met.

### **OVERVIEW OF PROJECT OBJECTIVES**

- Alignment with and support of local 10-Year Plan to End Homelessness;
- Use of a centralized system with one HARA that promotes responsiveness, aligns funding requirements, resources, and diverts people from shelters;
- Completion, submission, and sharing of information on MSHDA Quarterly Progress Reports to improve housing outcomes;
- Establish systems in every community that provide successful prevention and re-housing;
- Increase housing stability/sustainability for those living in poverty;

- Use of shelter beds and transitional housing only when necessary and with a Housing First approach;
- Compliance with HMIS Data entry and the ability to use the data for strategic planning (Domestic Violence Agencies use alternative system);
- Measurable decrease in the net costs of homelessness to public systems through shelter diversion while improving positive outcomes for those we serve;
- Coordination within the Interagency Service Teams (IST);
- Coordination and alignment of resources at the local, state, and federal level;
- Sharing and aligning best practices across the regions and statewide;
- Creation a Fiduciary Agency capable of receiving, distributing and tracking ESG funds.

## **II. Grant Terms**

Grants will begin on October 1, 2011 and end September 30, 2012. No matching funds are required to receive these funds.

MSHDA funds can be used as a cash match for HUD/Supportive Housing Program (SHP). Therefore, communities seeking to help local projects address HUD's requirement for matching funds for supportive services, transitional housing operations, permanent supportive housing operations, and HMIS (Domestic Violence Agencies use alternative system) implementation under the McKinney-Vento Supportive Housing Program (SHP) may utilize MSHDA ESG funds to help fulfill these obligations.

Bonus Dollars – at the **end of this grant cycle** one CoC will be eligible and selected (on a statewide basis) to receive a one time \$20,000 bonus award. The recipient will be evaluated on continuous quality improvement based on the Housing Services Outcomes Matrix. The Bonus Award must be used for ESG allowable activities. (MSHDA reserves the right to rescind or decrease these bonus dollars at any time based upon budgetary restrictions.)

Statewide Recognition - The best performing **region**, based on the criteria outlined in Housing Services Outcomes Matrix, will receive public recognition at the fall Summit on Ending Homelessness.

## **III. Defining Homeless Persons for Emergency Solutions Grant Funding**

The applicant and its proposed programs or services must serve individuals and families who are homeless as defined below. MSHDA is requiring file documentation to verify need and homelessness, even if it is self-declaration by the head of household.

To be eligible, individuals must:

- lack a fixed, regular, and adequate nighttime residence; and
- have a primary nighttime residence that is –
  - a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing);
  - an institution that provides a temporary residence for individuals intended to be institutionalized; or
  - a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

Note: Doubled-up can be accommodated but only if they are within 7 days of being evicted or asked to leave. A signed statement from host household stating that the individual is being evicted/asked to leave is required. (This a minimum requirement for HUD monitoring purposes.)

To be eligible for prevention assistance through ESG, individuals must have all of the following:

- Received eviction notices or notices of termination of utility services and
  - are unable to make the required payments due to a sudden reduction of income;
  - the assistance is necessary to avoid the eviction or termination of services;
  - there is a reasonable prospect that the family will be able to resume payments within a reasonable period of time;
  - the assistance will not supplant funding for pre-existing homelessness prevention activities from other sources.

#### **IV. Collaboration**

By collaborating together, local partners will work to leverage and coordinate community resources. Although the HARA may provide many services, it will be beneficial to partner with other local organizations to assure a cadre of available supports.

For use of ESG funds, a Memorandum of Understanding (MOU) must be developed between the CoC Body, Fiduciary Agency, HARA, and Sub-grantees, hereafter referred to as key partners, that identifies what services will be provided, how services will be coordinated, and how monitoring will be conducted to assure all HUD and MSHDA requirements are met. (A sample template is available at [www.michigan.gov/mshda](http://www.michigan.gov/mshda).)

MSHDA will have one grant with the designated Fiduciary and the Fiduciary will issue a grant with local sub-grantee(s).

Following is an explanation of the duties performed by the CoC, Fiduciary, HARA, and sub-grantee agencies.

#### **V. Defining Roles:**

As in previous ESG NOFA's, the CoC Body will recommend to MSHDA, via completion of Exhibit 1 - CoC Update, agencies that will receive funding. The CoC recommended Grant Fiduciary will be awarded the CoC's entire allocation of funds and will be the only agency billing MSHDA for reimbursement.

**Continuum of Care (CoC) Body:** The CoC will:

- Develop a CoC culture that teaches and makes decisions based upon outcomes;
- Ensure the community has a Homeless Assistance Recovery Program (HARP) Lead Agency that refers homeless households to the HARP waiting list and assists them as needed. (As part of Exhibit I, all CoC's must provide updated Coordinated Action Plans.)
- Require ESG grantees to embrace strength-based case management (see Definitions);
- Recommend an agency to function as Fiduciary for these funds;
- Recommend one agency to serve as a HARA for the CoC, with the exception of the City of Detroit who are allowed up to three;
- Work with service agencies and supportive housing developers to assist with the development of a Memorandum of Understanding (MOU) to provide case management services to supportive housing units as they are made available in the community.
- Select two designees from each CoC Body, identified in Exhibit 1, to serve on the local regional council and share/communicate with the CoC Body. (MSHDA recommends that the CoC Chair or Coordinator serve as a designee so that communication occurs.)
- Require buy-in from all ESG Sub-grantees of the HARA;
- Recommend sub-grantees, if applicable;
- Establish local targets for performance;

- Evaluate the quality of services/housing delivery and provide oversight of the sub-grantees based upon documented outcomes;
- Track services provided by the sub-grantees to ensure the quality of the services and accountability of the funds;
- Assure that services provided by the Fiduciary, HARA, and Sub-grantees are meeting the needs of the local community and that critical issues are addressed;
- Receive quarterly updates at CoC meetings and provide feedback;
- Complete an annual consumer satisfaction developed by the CoC (sample at [www.michigan.gov/mshda](http://www.michigan.gov/mshda)) click on Homeless and Special Needs, and then click on Emergency Solutions Grant Application;
- Provide MSHDA with annual Point in Time (PIT) Charts;
- Identify critical services (gaps in service) that need to be addressed;
- Develop short- and long-term goals to accomplish your 10-Year Plan to end homelessness;
- Develop strategies and action steps to accomplish your goals based upon HMIS data (Domestic Violence Agencies use alternative system);
- Re-assess goal accomplishments on an annual basis;
- Work with communities in your **region** to communicate and understand federal and state regulations related to ending homelessness;
- Share ideas and best practices within your **region** and across the state;
- Provide meeting minutes and e-mail minutes, notices, and agendas to your MSHDA Homeless Assistant Specialist.

The CoC may elect to recommend a single agency to serve as Grant Fiduciary and HARA or these roles may be performed by two separate agencies. *The Grant Fiduciary and HARA may be the same agency.* In either case, the agency(ies) must meet selection criteria.

**Grant Fiduciary:** The Grant Fiduciary will be responsible for:

- Execution of grant documents for the community's allocation, including:
  - Memorandum of Understanding (MOU) with the CoC Body and with all Key Partners,
  - Sign contract and applicable documents required by MSHDA;
  - Initiate and execute sub-grants as needed.
- Assuring use of funds in accordance with the grant agreement, communicate knowledge of fraudulent activities to MSHDA and the CoC Body;
- HALO billing;
- Advise the CoC of agencies not using dollars in a timely manner to avoid loss of funds to the community/recapture by MSHDA;
- Based upon documented outcomes and in partnership with the CoC, evaluate the quality of services and provide oversight of the sub-grantees;
- Collect and submit quarterly Progress Reports that address specific performance outcomes supported by HMIS data (Domestic Violence Agencies use alternative system). The signed original to be submitted to MSHDA with a copy to the CoC.
- Review annually 10 percent of all tenant files, as well as the financial records of sub-grantees, and provide a copy of your findings report to your MSHDA Homeless Assistance Specialist;
- Maintain financial and client level records to support billings. The information must be retained for four years.

(MSHDA recommends that CoC Body's look to existing Lead Agency's and/or HRC's to act as the HARA.)



**Housing Assessment and Resource Agency will be responsible for:**

- Operating a centralized intake and housing assessment agency is in place within the community, thereby assuring a comprehensive communitywide service and housing delivery system;
- Practicing shelter diversion;
- Embracing housing first;
- Employing a staff member to function as a Housing Resource Specialist (see Definitions);
- Developing a culture that teaches and makes decisions based upon outcomes;
- Practicing strength-based case management (see Definitions);
- Working with the CoC Body to ensure quality service delivery;
- Entering client information on HMIS;
- Routinely review and correct HMIS data quality issues and monitor outcome performance;
- Providing services and/or make referrals to appropriate service agencies as needed;
- Submitting quarterly Progress Reports that address specific performance outcomes supported by HMIS data to the Grant Fiduciary as outlined in their contract.

**Sub-grantees will be responsible for:**

- Develop a culture that teaches and makes decisions based upon outcomes;
- Embrace strength-based case management (see Definition);
- Providing allowable services as defined within this NOFA and as specified in their contract with the Grant Fiduciary;
- Entering client information on HMIS (Domestic Violence Agencies use alternative system);
- Routinely review and correct HMIS data quality issues and monitor outcome performance;
- Maintain financial and client level records to support billings. Retain records for four years;
- Request payment and provide necessary supportive documentation to the grant fiduciary;
- Submission of quarterly Progress Reports that address specific performance outcomes supported by HMIS data to the Grant Fiduciary as outlined in the grant contract;
- Ensure compliance with grant terms and provide the grant fiduciary and MSHDA access to financial and programmatic records.

*MSHDA reserves the right to alter any/all recommendations based on issues of prior applicant performance, applicant capacity, eligibility of project activities, and consistency with the criteria and standards discussed in this NOFA.*

**VI. Selection Criteria**

**Grant Fiduciary:**

- Recommended by the local Continuum of Care;
- Be a 501(c)3 nonprofit agency or local unit of government that operates its principle place of business in the State of Michigan (A CoC Body, if incorporated as a 501(c)3 Entity, is eligible);
- Actively involved in the Continuum of Care planning process;
- Use HMIS to produce quarterly reports. (Domestic Violence Agencies use alternative system);
- Willing to execute a QSOBAA to allow sharing within HMIS;

- Exhibits the financial capacity to administer funds as demonstrated through an audited federal financial statement;
- Has financial management systems in place such as cash receipts and disbursements logs, invoices and cancelled check registers, etc;
- Employs a staff person who possesses a bachelor's degree in accounting, or possess experience in accounting along with college accounting credits, or a bookkeeper whose work is overseen by an accounting firm;
- Considered a *Leader* in the community with the ability to collaborate, coordinate and partner with other local organizations.

**Housing Assessment and Resource Agency (HARA):**

- Recommended by the local Continuum of Care;
- Be a 501(c)3 nonprofit agency or local unit of government that operates its principle place of business in the State of Michigan. (A CoC Body, if incorporated as a 501(c)3 Entity, is eligible);
- Actively involved in the Continuum of Care planning process;
- Experienced in serving homeless populations;
- Experienced in providing assessment referrals/case management services specifically targeted to people who are homeless;
- Experienced with successful HMIS data collection.
- Willing to execute a QSOBAA to allow sharing within HMIS;
- Exhibits the financial capacity to administer funds as demonstrated through an audited federal financial statement;
- Has financial management systems in place such as cash receipts and disbursements logs, invoices and cancelled check registers, etc;
- Employs a staff person who possesses a bachelor's degree in accounting, or possess experience in accounting along with college accounting credits, or a bookkeeper whose work is overseen by an accounting firm;
- Has established office hours in the county being served;
- Considered a *Leader* in the community with the ability to collaborate, coordinate and partner with other local organizations.

**Sub-grantees:**

- Recommended by the local Continuum of Care;
- Be a 501(c)3 nonprofit agency or a local unit of government that operates its principle place of business in the State of Michigan. (A CoC Body, if incorporated as a 501(c)3 Entity, is eligible.)
- Actively involved in the Continuum of Care planning process;
- Willing to use HMIS to collect relevant data. (Domestic Violence Agencies use alternative system);
- Willing to execute a QSOBAA to allow sharing within HMIS;
- Exhibit the financial capacity to administer funds as demonstrated through an audited financial statement;
- Has financial management systems in place such as cash receipts and disbursements logs, invoices and cancelled check registers, etc;
- Employs a staff person who possesses a bachelor's degree in accounting, or possess experience in accounting along with college accounting credits, or a bookkeeper whose work is overseen by an accounting firm;
- Displays the ability to collaborate, coordinate and partner with other local organizations.

*MSHDA reserves the right to evaluate the past performance of all recommended agencies and to approve or deny their participation.*

## **VII. Use of the Funds**

These funds cannot be used to supplant existing mainstream resources and services. CoC Bodies should be mindful of positive outcomes, based on HMIS (Domestic Violence Agencies use alternative system) and other data, before selecting agencies for funding. Individuals eligible for services through domestic violence, mental health, and substance abuse delivery systems must have services funded through existing budgets. In addition, CoC Body's must be mindful that these ESG funds are used for services that are directly related to obtaining or sustaining housing. (See eligible activities/uses below.)

Agency staff that travel and are reimbursed with MSHDA ESG funds cannot exceed the state standard rate for mileage. The state travel reimbursement rates are at [www.michigan.gov/mshda](http://www.michigan.gov/mshda), click on Homeless & Special Needs.

MSHDA will allow CoC Bodies to more narrowly define the scope of services provided; however, funding categories cannot be broadened. These funds cannot be used for construction or rehabilitation of shelters. No grant can be less than \$10,000 with the exception of CoC Coordination.

This NOFA requires CoC Body's to award a minimum of 40 percent of their allocation to provide prevention, rapid re-housing activities, and housing stabilization services. The remaining 60% of the funds can be used for Essential Services, Operating Expenses, Administration Expenses, and Continuum Expenses. Out of the 40 percent, 15 percent must be dedicated to rapid re-housing.

To receive Prevention and Rapid Re-housing funds a household's income must be at or below 40 percent of AMI, and a CoC is allowed to restrict funds to households below 40 percent if they so choose. Although third party income verification is not required, the household file must be documented. For example, if a household has rental arrearages and is working, a copy of a pay check stub showing weekly income would be sufficient.

The following are allowable uses for ESG funds:

**A. Operating Expenses** are expenses associated with the operation of a shelter, transitional housing, or related service facility, including (but not limited to):

- Insurance
- Rent
- Food
- Utilities
- Telephone/cell phone service
- Internet expense
- Furnishings
- Office Supplies
- Agency vehicles - includes gasoline and general maintenance – not purchasing of vehicles
- Staff transportation
- Maintenance and repair of facilities
- Security

- B. Essential Services** - Case management related to emergency shelter, street outreach or *referrals* to employment, health care, substance abuse and related services within the community. (Note that *referrals* can be provided, however, **direct case management** for employment, health, substance abuse and other related services **cannot** be provided with these funds.)
- C. Housing Stabilization Services** - Funds must be used to create and implement a comprehensive, easily accessible service and housing response system that addresses the needs of those who are homeless or at serious risk of homelessness.

Eligible activities include:

- Housing stabilization services include arranging, coordinating, linking and monitoring the delivery services that assist participants to obtain and sustain housing stability; this includes the salary of the Housing Resource Specialist(s);
- Monitoring program participant progress;
- Assuring that the rights of participants are protected;
- Development of individualized Housing Plans for each program participant;
- Housing search and placement activities designed to assist participants in locating, obtaining and retaining housing which may include credit counseling, when needed;

**D. Financial Assistance – includes activities detailed in the chart below:**

|  | <b>PREVENTION</b>  | <b>RAPID RE-HOUSING</b>  | <b>GUIDANCE<br/>(Payment always goes to a third party.)</b>  |
|--|--|--|--|
| <b>Short Term Leasing Assistance 1-3 Months</b>                            | Not Available.<br>(See category directly below for Short Term Leasing Assistance within prevention.)   | Available<br>Household must be street homeless, living in a shelter, or doubled-up.<br>Capped at 3 months rent per household/per year.<br><br>This is the only type of rental assistance that can be counted to meet the 15% of 40% described in Section VII, Use of Funds, in the NOFA. | <ul style="list-style-type: none"> <li>• Units cannot exceed MSHDA Payment Standards;</li> <li>• Leasing payments must be made directly to landlords;</li> <li>• Grantees must maintain verification of need, income, and all other pertinent information as required by HUD and MSHDA in the participant's file;</li> <li>• Grantees must create a housing stabilization plan accessible on HMIS, if the recipient is receiving leasing assistance. DV agencies that do not have access to HMIS will be able to upload a housing plan to the MSHDA Web site;</li> <li>• Participants must be assisted to apply for resources available through the SER Program administered by DHS, or the participants file must be documented showing them not qualified for SER</li> <li>• Lead Based Paint requirements apply per ESG PB #3.</li> </ul>   |
| <b>Rental Arrearages &amp;/or Short Term Leasing Assistance 1-3 Months</b> | Available<br>Only if it prevents an eviction, see guidance.<br>Capped at 3 months rent per household/per year;<br><b>NOTE:</b> Total per household/per year is capped at 3 months of rental assistance for the <u>combination</u> of rental arrearages and short term leasing – <b>NOT</b> 3 months for each category. | Not Available  | <ul style="list-style-type: none"> <li>• Units cannot exceed MSHDA Payment Standards;</li> <li>• Leasing payments must be made directly to landlords;</li> <li>• Grantees must maintain verification of need, income, and all other pertinent information as required by HUD and MSHDA in the participant's file;</li> <li>• Grantees must create a housing stabilization plan accessible on HMIS, if the recipient is receiving leasing assistance. DV agencies that do not have access to HMIS will be able to upload a housing plan to the MSHDA Web site;</li> <li>• Participants must be assisted to apply for resources available through the SER Program administered by DHS, or the participants file must be documented showing them not qualified for SER</li> <li>• Lead Based Paint requirements apply per ESG PB #3.</li> </ul> <p><b>Documentation may be either a copy of a Notice to Quit, Demand for Possession or Summons &amp; Complaint.</b></p> |

|  | PREVENTION   | RAPID RE-HOUSING   | GUIDANCE<br>(Payment always goes to a third party.)  |
|--|--|--|--|
| Security Deposits                            | Available<br>Cannot exceed one month's rent.   | Available<br>Cannot exceed one month's rent.   | <ul style="list-style-type: none"> <li>Participants must be assisted to apply for resources available through the SER Program administered by DHS, or the participants file must be documented showing them not qualified for SER;</li> <li>Lead Based Paint requirement applies per ESG PB #3.</li> </ul> |
| Utility Arrearages                           | Available <ul style="list-style-type: none"> <li>For utility arrearages only if they have shut off notice.</li> <li>Capped at \$1,500 per household/per year; <b>NOTE:</b> Total per household/per year is \$1,500 for the combination of prevention and re-housing. Not \$1,500 for each category.</li> </ul> | Available only if it enables utilities to be turned on at a new address. <ul style="list-style-type: none"> <li>Capped at \$1,500 per household/per year; <b>Note:</b> Total per household/per year is \$1,500 for the combination of prevention and re-housing. Not \$1,500 for each category.</li> </ul> | <ul style="list-style-type: none"> <li>Participants must be assisted to apply for resources available through the SER Program administered by DHS, or the participants file must be documented showing them not qualified for SER.</li> </ul>  |
| Legal Assistance                             | Available <ul style="list-style-type: none"> <li>Capped at \$100</li> </ul>  | Available <ul style="list-style-type: none"> <li>Capped at \$100</li> </ul>  | <ul style="list-style-type: none"> <li>Mediation or attorney for landlord/tenant disputes</li> </ul>   |
| Identification (ID)                          | Available <ul style="list-style-type: none"> <li>Obtain IDs</li> </ul>   | Available <ul style="list-style-type: none"> <li>Obtain IDs</li> </ul>   | <ul style="list-style-type: none"> <li>Eligible expenses include: birth certificates, social security cards, and driver's license.</li> </ul>  |
| Lead-Based Paint Inspection                  | <ul style="list-style-type: none"> <li>Required if the household has a child under the age of 6 and if the property was built prior to 1978.</li> </ul>  | <ul style="list-style-type: none"> <li>Required if the household has a child under the age of 6 and if the property was built prior to 1978.</li> </ul>  | <ul style="list-style-type: none"> <li>Lead Based Paint requirement apply to both prevention and rapid re-housing; see Lead Based Paint Policy ESG PB #3.</li> </ul>   |
| Housing Quality Standards (HQS) Requirement  | N/A<br>However, a home visit to assure the property is safe and sanitary is recommended.   | N/A<br>However, a home visit to assure the property is safe and sanitary is recommended.   | N/A  |
| Mortgage Arrearages Including Land Contracts | Not Available  | Not Available  | No longer an eligible use of these dollars.  |

**E. Administrative Expenses** - limited to 10 percent of the total CoC grant amount. Examples of administrative expenses include HMIS data entry, monitoring sub-grantees, and staff to operate the program, such as bookkeepers, accountants, and support staff. The distribution of administrative fees must be negotiated locally.

**F. Continuum of Care Coordinating Expenses** - Only one Continuum Coordinating grant per CoC body will be considered. Funding for this activity will flow through the Grant Fiduciary.

Funds can be used for expenses associated with Continuum of Care coordinating activities, for example:

- Coordination salary, including Continuous Quality Improvement (CQI);
- Costs of printing, postage, and office supplies;
- Consumer involvement costs;
- Travel related expenses – reimbursed at the state standard rate for mileage and meals, go to [www.michigan.gov/mshda](http://www.michigan.gov/mshda), Homeless and Specials Needs.
- Regional council representatives expenses (travel and meals).

**G. Ineligible Activities** - ESG funds cannot be used to expand the number of shelter beds in an existing shelter or supplant existing mainstream resources. Payments can only be made to third parties, such as landlords or utility companies; payments cannot be made to program participants. In addition, an assisted property may **not** be owned by the grantee, sub-grantee, or the parent subsidiary or affiliated organization of the sub-grantee.

Other ineligible activities include:

- Mortgage Assistance (including land contracts);
- Hotel/Motel Vouchers;
- Purchasing agency vehicles;
- Rental assistance payments cannot be made on behalf of eligible individuals or families for the same period of time and for the same cost types that are being provided through another federal, state, or local housing subsidy program;
- Moving Expenses (Funding for this activity is available through State Emergency Relief - SER);
- Furniture (Grantees are encouraged to use existing community sources);
- Pet Care and/or Pet Deposits;
- Credit card bills or other consumer debt;
- Car repair;
- Medical or dental care and medicines;
- Clothing and grooming;
- Entertainment activities ;
- Work or education related materials, including literacy classes;
- Cash assistance to program participants;
- Development of discharge planning programs in mainstream institutions such as hospitals, nursing homes, jails, or prisons. (However, persons who are being imminently discharged into homelessness from such public funded institutions are eligible to receive financial assistance through ESG);
- Payment of licenses, certifications, and general classes.

#### **VIII. Central Intake and Housing Assessment Process**

The Central Intake and Housing Assessment process is comprised of two parts:

1) *Screening and Intake* - The initial point of contact includes an intake in order to prioritize households based on the severity of their housing crisis and targets the most appropriate response with the situation presented. The intent is to discern *primary* need and the *urgency* of the need.

- All households will be screened either by phone or in person to determine if they in fact have a housing crisis. The screening will determine if the consumer should present for an Intake Session.
- Protocol must be developed between the HARA and a crisis line, e.g. 211, taking calls during non-traditional work hours. The crisis line, e.g. 211, must make callers aware that he/she should contact the HARA when their office reopens.
- Households who are presented with immediate safety issues will be re-directed appropriately (Domestic Violence or 911).
- Intake interviews are required to determine primary issues.
- If the screening concludes there is not an immediate housing need (but other needs are present), households will be referred to the appropriate resource to address the need (Food assistance through DHS, mental health through CMH, etc.).
- If the intake concludes there is an immediate housing need, households will proceed to a full housing assessment or be scheduled for a housing assessment within two business days.
- Sharing of client information – an executed sharing QSOBAA to allow sharing within HMIS between agencies.

2) *Housing Assessments* – Depending on the urgency and priority identified in the screening, the Housing Assistance and Resource Agency will conduct a comprehensive housing assessment with the household. The assessment will function as the basis for creating the "Housing Plan" (HP) which serves as the foundation for resource coordination and resolution of the housing crisis. Housing assessments will be



done through HMIS. MSHDA will provide domestic violence agencies with a paper version of the HP done on HMIS.

- The Housing Resource Specialist (see Definitions) will utilize an assessment tool within HMIS (Domestic Violence agencies use Access), focusing on issues related to obtaining and maintaining housing. Assessments will be conducted in person.
- The Housing Resource Specialist will identify the most appropriate resources for which the household may be eligible and provide this information to the household both verbally and in a written form as part of the "Housing Plan."
- Households will be offered case management to assist them with accessing the appropriate resources/support

**August 1, 2011**

**IX. Identification of Housing Assessment and Resource Agency and Fiduciary Agency**

The CoC Chairperson or Coordinator must e-mail their Homeless Assistance Specialist by **August 1, 2011** to **advise them of their selection of the Fiduciary Agency and/or the HARA.**

*MSHDA reserves the right to evaluate the past performance of all recommended agencies and to approve or deny their participation.*

## X. Statewide Homeless / Housing Services Outcomes Matrix:

| Outcome  | Outcome Definition   | Provider Type  | Review Group  |
|--|--|--|---|
| LOS in Shelter: % of persons with shelter stays of less than 31 days and exit to positive destination.   | % of discharges meeting criteria/total discharges.   | <ul style="list-style-type: none"> <li>System of Care</li> </ul>   | <ul style="list-style-type: none"> <li>Agency - Quarterly</li> <li>CoC - Quarterly</li> <li>Region - Biannual</li> <li>CSIG - Biannual</li> </ul> |
| Recidivism: % of persons that experience more than one shelter stays in one year.  | % of persons with multiple stays / total persons served  | <ul style="list-style-type: none"> <li>System of Care</li> </ul>   | <ul style="list-style-type: none"> <li>CoC - Quarterly</li> <li>Region - Biannual</li> <li>CSIG - Biannual</li> </ul>                             |
| Retention in Housing: % of persons that retain housing for 7 months or longer.   | % of PSH lives and discharged clients that are 7 months or longer.   | <ul style="list-style-type: none"> <li>System of Care</li> <li>PSH</li> </ul>  | <ul style="list-style-type: none"> <li>Agency - Biannual</li> <li>CoC - Biannual</li> <li>Region - Annual</li> <li>CSIG - Annual</li> </ul>       |
| Engagement: % of discharges where staff were able to track discharge destination upon exit.  | % of discharges with "unknown" or null discharge destinations.   | <ul style="list-style-type: none"> <li>Emergency Shelter, TH, PSH, Case Management/SO.</li> </ul>                                  | <ul style="list-style-type: none"> <li>Agency - Quarterly</li> <li>CoC - Quarterly</li> <li>Region - Biannual</li> <li>CSIG - Biannual</li> </ul> |
| Discharge to Housing: % of discharges where the exit destination is positive.  | % of discharges where discharge destination meets "+" housing criteria.  | <ul style="list-style-type: none"> <li>Emergency Shelter, TH, PSH, Case Management / SO</li> </ul>                                 | <ul style="list-style-type: none"> <li>Agency - Quarterly</li> <li>CoC - Quarterly</li> <li>Region - Biannual</li> <li>CSIG - Biannual</li> </ul> |
| Income: % of persons with cash &/or non-cash income at exit.   | % of adults with cash &/or non-cash income at exit.  | <ul style="list-style-type: none"> <li>TH, PSH, Case Management / SO</li> </ul>  | <ul style="list-style-type: none"> <li>Agency - Quarterly</li> <li>CoC - Quarterly</li> <li>Region - Biannual</li> <li>CSIG - Biannual</li> </ul> |
| SS Matrix: % of persons that improved on CoC specified domains.  | CoCs will specify at least 3 domains they consider critical to self-sufficiency. Measure = % of persons that improved performance from initial to the most recent measure. PIT Measure | <ul style="list-style-type: none"> <li>90- Day Emergency Shelter</li> <li>TH</li> <li>PSH</li> <li>Case Management / SO</li> </ul> | <ul style="list-style-type: none"> <li>Agency - Biannual</li> <li>CoC - Biannual</li> <li>Region - Annual</li> <li>CSIG - Annual</li> </ul>       |
| HPRP / ESG Goals & Objectives:<br>Percent of achieved goals individually defined in the Case Management Module   | % of persons that retained housing.<br>% of persons that achieved success on at least one other defined goal.  | <ul style="list-style-type: none"> <li>Prevention Programs</li> </ul>  | <ul style="list-style-type: none"> <li>Agency - Biannual</li> <li>CoC - Biannual</li> <li>Region - Annual</li> <li>CSIG - Annual</li> </ul>       |
| <p>*Targets set by CoC based on historical performance and performance rates for their Region.</p> <p>Several performance issues were recommended to CoCs for process review:</p> <ol style="list-style-type: none"> <li>Determine causes of exits from PSH where the LOS is less than 7 months. CoCs should explore whether this resulted from a mismatch in housing, lack of a critical service(s), or household left on positive exit.</li> <li>Develop a process to reduce the number of chronically homeless / those that are recidivating in the CoC. To do this that CoC should establish an inter-agency review team to ensure services has been optimized. CSIG should look at options for improving access for these clients to HARP vouchers as new vouchers become available.</li> </ol> |  |  |   |

**August 11, 2011**

**XI. Exhibit 1: CoC Update**

Exhibit 1: CoC Update must be received by 5:00 p.m. on August 11, 2011. The application should be mailed in ONE envelope. Faxed or e-mail copies will NOT be accepted.

Mail to:  
Juliann Kline  
MSHDA, Rental Development & Homeless Initiatives  
735 E. Michigan Avenue  
PO Box 30044  
Lansing, MI 48909

**XII. Grant Fiduciary Application Process**

Application via the Homeless Assistance Link Online (HALO) is due by August 11, 2011.

In accordance with recommendations determined by the local Continuum of Care, the fiduciary agency applies for ESG funding directly to MSHDA. One application will be submitted by the fiduciary agency for each Continuum of Care.

The other funded agencies in a CoC will submit a paper application (provided by MSHDA) to the fiduciary agency.

Mail all fiduciary agency application documents in one envelope. The due date is August 11, 2011 at 5:00 p.m. Faxed or e-mail copies will NOT be accepted.

- All organizational documents are required to be submitted and they cannot be uploaded or sent electronically.

Mail To:  
Juliann Kline  
MSHDA, Rental Development & Homeless Initiatives  
735 E. Michigan Avenue  
PO Box 30044  
Lansing, MI 48909

**XIII. Definitions**

**Area Median Income:** The area median divides the household income distribution into two equal parts: one-half of the cases falling below the median household income and one-half above the median. (Attached to this NOFA)

**Central Intake and Housing Assessment:** The Central Intake and Housing Assessment process consists of two parts. The intent of the intake is to discern *primary* need and the *urgency* of the need. The intent of the assessment is to identify barriers to housing to be addressed in the Housing Plan.

**Client Releases:** Releases that reflect the MOU's to assure all parties charged with caring for clients may share information. A single "Community Release" may be appropriate. (See HMIS for QSOBAA) This agreement/MOU defines the local sharing practice and is required to allow interagency sharing through HMIS

(Domestic Violence Agencies use alternative system). Signatories on the agreement include those agencies who are working collaboratively with the person(s) receiving assistance.

**Housing Assessment and Resource Agency (HARA):** A physical location with consolidated services in a community for homeless individuals/families. The center is the one recognized central point of entry/intake and assessment to ease the process of applying for resources. A HARA often has consolidated human services, housing assistance and other related services as available. The HARA employs a Housing Resource Specialist(s) who serves the CoC area.

**Housing Locator:** The Michigan Housing Locator identifies affordable housing and can be found at [www.michiganhousinglocator.com](http://www.michiganhousinglocator.com). The Housing Locator may be helpful in rapidly re-housing people.

**Housing Plan (HP):** A Housing Plan (HP) must be completed for all individuals that receive an assessment. The Housing Plan is intended to be a guide for both the household and the service agencies.

**Housing Resource Specialist:** The Housing Resource Specialist knows the local rental housing stock and its turnover rate, area landlords, and the condition of their property.

Housing Resource Specialists must receive training to make the centralized intake and housing assessment process effective. Activities performed by a Housing Specialist include: intake; assessment; creation of a Housing Plan that includes a path to permanent housing stability subsequent to these funds; arrangement, coordination, monitoring, and delivery of services to assist participants to obtain housing stability. Component activities may include: housing counseling, developing, securing, and coordinating services, monitoring and evaluation of program participant progress, and assuring that the program participants' rights are protected. The Specialist has a basic understanding of other rental assistance programs, such as HARP, TBRA, Shelter plus Care.

**Key Partners:** For purposes of the NOFA Key Partners include: CoC Body, HARA, Grant Fiduciary, and Sub-grantee(s).

**Leasing Assistance:** Units cannot exceed MSHDA's payment standards. Leasing payments must be made directly to the Landlord.

**Memorandum of Understanding (MOU):** One (1) MOU must be created between the CoC, Fiduciary/HARA and Sub-Grantees, clearly defining the relationship between all parties. Sharing of information is required. (See Client Releases definition above.)

**Michigan Statewide Homeless Management Information System (MSHMIS):** This system details the homeless demographics in Michigan including the problems they face, the resources used, and where current services are falling short. (Domestic Violence Agencies use alternative system.)

**Partners:** include organizations, agencies and members of the public who fund programs or interact regularly with people in crisis, poverty, or at risk of homelessness. These may include the following:

- Head Start and Early Head Start Agencies;
- Department of Human Services; Child Welfare Agencies; Unemployment Offices;
- WIC Agencies; Hospitals and Health Clinics; Mental Health Agencies;
- Public Housing Agencies; Public Housing Tenant Associations; Property Managers/Landlords;
- Utility Companies;
- Substance Abuse Treatment Programs; Domestic Violence Programs;
- Food Banks; Community Action Agencies; Help Lines (and 211 lines);
- Police; Jails; Prisons; and Probation Offices; Courts;

- Culturally Specific Organizations; Shelters and Homeless Assistance Providers; Veterans Services Organizations; Legal Aid Agencies; School Homeless Liaisons; Community Resource Centers;
- Family Support Centers; Businesses; Workforce Centers;
- Churches and other Faith-Based Organizations

## Positive Destination

The following **“bolded”** destinations recorded in HMIS are mapped as positive. Based on the consensus view of our Reports Committee, treatment facilities were included as positive based the fact that accessing needed treatment was always positive. Deceased was also logged in the “+” column as we determined that programs should not be penalized for this and it is certainly permanent. Finally, those items included in “other defined” are currently included in the formula as they are almost always positive and reflect mapping problems to the HUD Data standards. For example some providers don’t identify “Section 8 Vouchers” or HARP as “Rental by client, (non-VASH) housing subsidy.” We are working on that.

This definition is slightly broader than HUD’s definition as they don’t make a call on Treatment destinations.

### HUD Destination Categories:

|  |  |
|--|--|
| <input type="checkbox"/> Don't Know  | <input type="checkbox"/> <b>Rental by client, (non-VASH) housing subsidy</b>                       |
| <input type="checkbox"/> Emergency Shelter, including hotel or motel paid for with emergency shelter voucher         | <input type="checkbox"/> Hotel or motel paid for without emergency shelter voucher                 |
| <input type="checkbox"/> <b>Hospital (non-psychiatric)</b>   | <input type="checkbox"/> Staying or living with friends, temporary tenure (room, apartment, house) |
| <input type="checkbox"/> Jail, Prison/Juvenile Detention   | <input type="checkbox"/> <b>Rental by client, VASH subsidy</b>                                     |
| <input type="checkbox"/> <b>Owned by client, no housing subsidy</b>  | <input type="checkbox"/> <b>Staying or living with friends, permanent tenure</b>                   |
| <input type="checkbox"/> <b>Permanent supportive housing for formerly homeless persons (S+C, SHP, SRO Mod Rehab)</b> | <input type="checkbox"/> Place not meant for habitation  |
| <input type="checkbox"/> <b>Psychiatric hospital or other psychiatric facility</b>                                   | <input type="checkbox"/> <b>Other,</b>   |
| <input type="checkbox"/> Refused   | <input type="checkbox"/> <b>Owned by client, with housing subsidy</b>                              |
| <input type="checkbox"/> <b>Rental by client, no housing subsidy</b>   | <input type="checkbox"/> <b>Staying or living with family, permanent tenure</b>                    |
| <input type="checkbox"/> Staying or living with family, temporary tenure (room, apartment, house)                    | <input type="checkbox"/> <b>Deceased</b>   |
| <input type="checkbox"/> <b>Substance abuse treatment facility or detox center</b>                                   | <input type="checkbox"/> Safe Haven  |
| <input type="checkbox"/> <b>Transitional Housing for homeless persons (including homeless youth)</b>                 | <input type="checkbox"/> <b>Foster Care / Foster care group home</b>                               |

**Payment Standards:** Payment Standards: Based on Fair Market Rents, Payment Standard is the maximum subsidy the Housing Authority can provide toward the gross rent (rent plus a utility allowance). MSHDA Payment Standards can be found at [www.michigan.gov/MSHDA](http://www.michigan.gov/MSHDA).

**Strength-based Case Management:** The relationship between the case manager and the family is one of advocacy and collaboration. The individual family's strengths and goals are identified. The case manager works with the family to achieve short- and long-term goals, helping them access the necessary services available. Although housing is usually the primary goal, this cooperative relationship addresses counseling, education, employment, and life skills goals.

## What Is It?

- Strengths-Based Practice assesses the inherent strengths of a person or family, and then builds on them.
- Strengths-Based practice uses peoples' personal strengths to aid in recovery and empowerment.
- It's really about reframing personal perception to find good even in the worst situation.

## Why Use It?

- It is an empowering alternative to traditional therapies which typically describe family functioning in terms of psychiatric diagnoses or deficits.
- It avoids the use of stigmatizing language or terminology which families use on themselves and eventually identify with, accept, and feel helpless to change.
- It is at odds with the "victim identity" -- epitomized in popular culture by the appearance of individuals on television or talk radio sharing intimate details of their problems -- which is inherently self-defeating.
- It fosters hope by focusing on what is or has been historically successful for the person, thereby exposing precedent successes as the groundwork for realistic expectations.
- It inventories (often for the first time in the person's experience) the positive building blocks that already exist in his/her environment that can serve as the foundation for growth and change.
- It reduces the power and authority barrier between the person and therapist by promoting the person to the level of expert in regards to what has worked, what does not work, and what might work in their situation.
- It reduces the power and authority barrier between person and therapist by placing the therapist in the role of partner or guide.
- Families are more invested in any process where they feel they are an integral part.
- And lastly - it works.

**Sudden Reduction of Income:** "Sudden" loss of income means, for example, the loss of a job or the inability to work do to illness.

**QSOBAA (*Qualified Services Organization Business Associates Agreement*):** This agreement/MOU defines the local sharing practice and is required to allow interagency sharing through HMIS. (Domestic Violence Agencies use alternative system.) Signatories on the agreement include those agencies who are working collaboratively with the person(s) receiving assistance.

**Uniform Administrative Requirements (UAR):** Local governments: see OMB Circular A-87; and non-profits: see OMB Circular A-122. These circulars establish principles and standards to provide a uniform approach for determining allowable costs when working with federal grants. Go to [www.hud.gov](http://www.hud.gov).

## Mortgage Modification Victim Loss

April 2012

| Company Under Investigation | # of Vic | Amount of \$ Loss | MI Victims | Total Loss MI Vic |
|-----------------------------|----------|-------------------|------------|-------------------|
| Company/Individual 1        | 1        | \$ 2,000.00       | 1          | \$ 2,000.00       |
| Company/Individual 2        | 21       | \$ 21,000.00      | 1          | \$ 1,000.00       |
| Company/Individual 3        | 4        | \$ 3,600.00       | 4          | \$ 3,600.00       |
| Company/Individual 4        | 1        | \$ 500.00         | 1          | \$ 500.00         |
| Company/Individual 5        | 4        | \$ 2,000.00       | 4          | \$ 2,000.00       |
| Company/Individual 6        | 2        | \$ 10,000.00      | 0          | \$ -              |
| Company/Individual 7        | 1        | \$ 500.00         | 1          | \$ 500.00         |
| Company/Individual 8        | 8        | \$ 16,000.00      | 7          | \$ 14,000.00      |
| Company/Individual 9        | 16       | \$ 16,000.00      | 16         | \$ 16,000.00      |
| Company/Individual 10       | 1        | \$ 500.00         | 1          | \$ 500.00         |
| Company/Individual 11       | 60       | \$ 150,000.00     | 59         | \$ 147,500.00     |
| Company/Individual 12       | 1        | \$ 5,742.00       | 0          | \$ -              |
| Company/Individual 13       | 29       | \$ 43,500.00      | 2          | \$ 30,000.00      |
| Company/Individual 14       | 1        | \$ 500.00         | 1          | \$ 500.00         |
| Company/Individual 15       | 1        | \$ 500.00         | 0          | \$ -              |
| Company/Individual 16       | 3        | \$ 2,400.00       | 3          | \$ 2,400.00       |
| Company/Individual 17       | 3        | \$ 7,500.00       | 3          | \$ 7,500.00       |
| Company/Individual 18       | 1        | \$ 1,000.00       | 0          | \$ -              |
| Company/Individual 19       | 2        | \$ 4,000.00       | 2          | \$ 4,000.00       |
| Company/Individual 21       | 350      | \$ 700,000.00     | 17         | \$ 34,000.00      |
| Company/Individual 22       | 28       | \$ 56,000.00      | 9          | \$ 18,000.00      |
| Company/Individual 23       | 35       | \$ 35,000.00      | 34         | \$ 34,000.00      |
| Company/Individual 24       | 1        | \$ 1,200.00       | 0          | \$ -              |
| Company/Individual 25       | 1        | \$ 1,000.00       | 1          | \$ 1,000.00       |
| Company/Individual 26       | 6        | \$ 3,000.00       | 6          | \$ 3,000.00       |
| Company/Individual 27       | 1        | \$ 3,900.00       | 0          | \$ -              |
| Company/Individual 28       | 1        | \$ 500.00         | 0          | \$ -              |
| Company/Individual 29       | 1        | \$ 2,000.00       | 0          | \$ -              |
| Company/Individual 30       | 1        | \$ 500.00         | 1          | \$ 500.00         |
| Company/Individual 31       | 32       | \$ 45,000.00      | 30         | \$ 42,188.00      |
| Company/Individual 32       | 2        | \$ 2,000.00       | 2          | \$ 2,000.00       |
| Company/Individual 33       | 6        | \$ 16,000.00      | 6          | \$ 16,000.00      |
| Company/Individual 34       | 4        | \$ 2,000.00       | 3          | \$ 1,500.00       |
| Company/Individual 35       | 2        | \$ 1,000.00       | 2          | \$ 1,000.00       |
| Company/Individual 36       | 1        | \$ 1,000.00       | 0          | \$ -              |
| Company/Individual 37       | 7        | \$ 10,500.00      | 2          | \$ 3,000.00       |
| Company/Individual 38       | 2        | \$ 1,000.00       | 2          | \$ 1,000.00       |
| Company/Individual 39       | 16       | \$ 20,800.00      | 1          | \$ 1,300.00       |
| Company/Individual 40       | 2        | \$ 1,057.00       | 2          | \$ 1,057.00       |
| Company/Individual 41       | 2        | \$ 4,500.00       | 2          | \$ 4,500.00       |
| Company/Individual 42       | 2        | \$ 1,250.00       | 2          | \$ 1,250.00       |
| Company/Individual 43       | 1        | \$ 200.00         | 0          | \$ -              |
| Company/Individual 44       | 29       | \$ 29,000.00      | 9          | \$ 9,000.00       |
| Company/Individual 45       | 44       | \$ 44,000.00      | 44         | \$ 44,000.00      |
| Company/Individual 46       | 81       | \$ 162,000.00     | 81         | \$ 162,000.00     |
| Company/Individual 47       | 1        | \$ 1,000.00       | 1          | \$ 1,000.00       |

**Mortgage Modification Victim Loss**

April 2012

| <b>Company Under Investigation</b>            | <b># of Vic</b> | <b>Amount of \$ Loss</b> | <b>MI Victims</b>  | <b>Total Loss MI Vic</b> |
|---|-----------------|--------------------------|--------------------|--------------------------|
| Company/Individual 48                         | 3               | \$ 4,500.00              | 1                  | \$ 1,500.00              |
| Company/Individual 49                         | 22              | \$ 66,000.00             | 20                 | \$ 60,000.00             |
| Company/Individual 50                         | 4               | \$ 45,000.00             | 0                  | \$ -                     |
| Company/Individual 51                         | 1               | \$ 500.00                | 1                  | \$ 500.00                |
| Company/Individual 52                         | 3               | \$ 3,000.00              | 3                  | \$ 3,000.00              |
| Company/Individual 53                         | 2               | \$ 1,500.00              | 1                  | \$ 750.00                |
| Company/Individual 54                         | 2               | \$ 2,000.00              | 2                  | \$ 2,000.00              |
| Company/Individual 55                         | 6               | \$ 3,000.00              | 3                  | \$ 1,500.00              |
| Company/Individual 56                         | 2               | \$ 3,000.00              | 1                  | \$ 1,500.00              |
| Company/Individual 57                         | 1               | \$ 2,800.00              | 1                  | \$ 2,800.00              |
| Company/Individual 58                         | 1               | \$ 500.00                | 1                  | \$ 500.00                |
| Company/Individual 59                         | 2               | \$ 3,000.00              | 1                  | \$ 1,500.00              |
| Company/Individual 60                         | 1               | \$ 2,000.00              | 1                  | \$ 1,000.00              |
| Company/Individual 61                         | 1               | \$ 500.00                | 1                  | \$ 500.00                |
| Company/Individual 62                         | 60              | \$ 250,000.00            | 60                 | \$ 250,000.00            |
| Company/Individual 63                         | 1               | \$ 1,500.00              | 1                  | \$ 1,500.00              |
| Company/Individual 64                         | 11              | \$ 11,000.00             | 10                 | \$ 10,000.00             |
| Company/Individual 65                         | 1               | \$ 500.00                | 0                  | \$ -                     |
| Company/Individual 66                         | 2               | \$ 6,000.00              | 2                  | \$ 6,000.00              |
| <b>Estimated Total Loss</b>                   | <b>945</b>      | <b>\$ 1,832,449.00</b>   | <b>473</b>         | <b>\$ 957,845.00</b>     |
|   |                 |                          |                    |                          |
|   |                 |                          |                    |                          |
|   |                 |                          |                    |                          |
| <b>*Convicted Company Resitution Not Paid</b> | <b># of Vic</b> | <b>Rest Ordered</b>      | <b># of MI Vic</b> | <b>Monies to MI Vic</b>  |
| Hope 4 Homeowners                             | 116             | \$ 114,700.00            | 111                | \$ 109,932.00            |
| Save My Home                                  | 475             | \$ 1,008,887.00          | 36                 | \$ 76,463.00             |
| Mobile Modification                           | 43              | \$ 36,417.00             | 43                 | \$ 36,417.00             |
| Advanced Mediation Services                   | 73              | \$ 28,400.00             | 73                 | \$ 28,400.00             |
| Legal Researchers of Michigan                 | 15              | \$ 49,339.00             | 15                 | \$ 49,339.00             |
| LCN Mortgage                                  | 2               | \$ 20,741.50             | 2                  | \$ 20,741.50             |
| Flagstone Partners                            | 3               | \$ 12,500.00             | 3                  | \$ 12,500.00             |
| Michigan Economic Reinstatement               | 2               | \$ 7,920.00              | 2                  | \$ 7,920.00              |
| <b>Total Victims</b>                          | <b>727</b>      |                          | <b>283</b>         |                          |
| <b>Ordered Total Loss</b>                     |                 | <b>\$ 1,270,984.50</b>   |                    | <b>\$ 341,712.50</b>     |
|   |                 |                          |                    |                          |
|   |                 |                          |                    |                          |
| <b>*Convicted Company Restitution Paid</b>    | <b># of Vic</b> | <b>Monies Paid</b>       | <b># of MI Vic</b> | <b>Monies to MI Vic</b>  |
| Elite Mortgage                                | 29              | \$ 101,150.00            | 27                 | \$ 95,150.00             |
| Global Loan Modification                      | 3               | \$ 5,206.00              | 3                  | \$ 5,206.00              |
| Advanced Mediation                            | 7               | \$ 5,700.00              | 7                  | \$ 5,700.00              |
| Home Rescue Corporation                       | 12              | \$ 24,900.00             | 12                 | \$ 24,900.00             |
| The Modification Company                      | 1               | \$ 1,320.00              | 1                  | \$ 1,320.00              |
| <b>Total Victims</b>                          | <b>52</b>       |                          | <b>50</b>          |                          |
| <b>Total Restitution Paid</b>                 |                 | <b>\$ 138,276.00</b>     |                    | <b>\$ 132,276.00</b>     |

\* Convicted company listed - company officers and employees also convicted